

## STATE OF IDAHO DEPARTMENT OF INSURANCE 700 W. STATE STREET BOISE, IDAHO 83720

BULLETIN #78 - 4

TO:

ALL COMPANIES ISSUING CREDIT DISABILITY INSURANCE

FROM:

MONROE C. GOLLAHER, DIRECTOR

DEPARTMENT OF INSURANCE

RE:

CREDIT DISABILITY INSURANCE - OUTSTANDING BALANCE BASIS

This Department is now allowing the writing of Credit Disability Insurance on an Outstanding Balance basis with one premium for all durations with certain stipulations

Due to the difficulty in assessing a proper premium for this type of coverage, we feel that our approach must be conservative to protect the debtors. The following stipulations are, therefore, effective for any company who desires to apply to write this type of coverage:

1 The maximum prima facie monthly rates per 1,000 of insured indebtedness will be:

30	day	retroactive	\$1.56
30	day	non-retroactive	1.14
14	day	retroactive	1.79
14	day	non-retroactive	1.42

- 2. This plan can only be used where the loan is made for a stipulated term with a constant monthly repayment. (i.e., it cannot be used on a revolving charge account.)
- 3. This plan will be reported separately in the annual statistical report of Idaho experience for credit life and credit disability insurance.
- 4. No upward deviation in rates will be considered until it can be justified by a minimum of three years' experience in this plan.

Any Insurer interested in writing this plan must submit their policies, certificates and premium schedule for approval with a statement that they understand and will comply with the special stipulations listed above.

DEPARTMENT OF INSURANCE

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Monroe C. Gollaher

Director

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November 3, 1978